

**PROGRESSIVE IMPACT CORPORATION BERHAD**  
(Company No. 203352-V)

**CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**  
**FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2021**  
(The figures have not been audited)

	Individual Quarter			Cumulative Quarter		
	Current Quarter 31.12.2021 RM'000	Preceding year Corresponding Quarter 31.12.2020 RM'000	+ / (-)	Current Year To Date 31.12.2021 RM'000	Preceding year Corresponding Period 31.12.2020 RM'000	+ / (-)
Revenue	24,138	27,774	(0.13)	92,022	87,963	0.05
Cost of sales	(10,942)	(10,180)		(39,525)	(33,670)	
<b>Gross profit</b>	<u>13,196</u>	<u>17,594</u>	(0.25)	<u>52,497</u>	<u>54,293</u>	(0.03)
Profit income	212	49		517	424	
Other income	219	563		2,204	1,372	
Staff costs	(6,673)	(7,221)		(26,245)	(25,671)	
Depreciation and amortisation	(2,253)	(2,078)		(7,939)	(6,823)	
Other operating expenses	1,960	(5,041)		(13,286)	(12,955)	
<b>Profit from operations</b>	<u>6,661</u>	<u>3,866</u>	0.72	<u>7,748</u>	<u>10,640</u>	(0.27)
Finance costs	(1,814)	(1,255)		(3,944)	(2,956)	
<b>Profit before tax</b>	<u>4,847</u>	<u>2,611</u>	0.86	<u>3,804</u>	<u>7,684</u>	(0.50)
Income tax expense	(1,413)	(1,261)		(4,047)	(4,611)	
<b>Profit/(Loss) net of tax</b>	<u><b>3,434</b></u>	<u><b>1,350</b></u>	1.54	<u><b>(243)</b></u>	<u><b>3,073</b></u>	(1.08)
<b>Other comprehensive income:</b>						
Foreign currency translation	653	1,868		391	(304)	
Actuarial gain on retirement benefit	62	23		62	23	
<b>Other comprehensive income attributable to:</b>	<u>715</u>	<u>1,891</u>		<u>453</u>	<u>(281)</u>	
<b>Total comprehensive income for the period</b>	<u><b>4,149</b></u>	<u><b>3,241</b></u>	0.28	<u><b>210</b></u>	<u><b>2,792</b></u>	(0.92)
<b>Net Profit/(Loss) attributable to:</b>						
Owners of the parent	3,222	(412)	(8.82)	(6,130)	(2,813)	1.18
Minority interest	212	1,762	(0.88)	5,887	5,886	0.00
	<u><b>3,434</b></u>	<u><b>1,350</b></u>	1.54	<u><b>(243)</b></u>	<u><b>3,073</b></u>	(1.08)

PROGRESSIVE IMPACT CORPORATION BERHAD  
(Company No. 203352-V)

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME  
FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2021

(The figures have not been audited)

(CONT'D.)

	Individual Quarter			Cumulative Quarter		
	Current Quarter 31.12.2021 RM'000	Preceding year Corresponding Quarter 31.12.2020 RM'000	+ / (-)	Current Year To Date 31.12.2021 RM'000	Preceding year Corresponding Period 31.12.2020 RM'000	+ / (-)
<b>Total comprehensive income attributable to :</b>						
Owners of the parent	3,444	495	(5.96)	(6,170)	(3,088)	1.00
Minority interest	705	2,746	(0.74)	6,380	5,880	0.09
	<b>4,149</b>	<b>3,241</b>	0.28	<b>210</b>	<b>2,792</b>	(0.92)
<b>Earning per share attributable to equity holders of the parent</b>						
<b>Basic earning per share (sen) *</b>	<b>0.49</b>	<b>(0.06)</b>		<b>(0.94)</b>	<b>(0.43)</b>	

The Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the Audited Financial Statements for the financial year ended 31 December 2020 and the accompanying explanatory notes attached to the financial statements.

**PROGRESSIVE IMPACT CORPORATION BERHAD**  
(Company No. 203352-V)

**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION**  
**AS AT 31 DECEMBER 2021**  
(The figures have not been audited)

	<b>Unaudited</b> <b>31.12.2021</b> <b>RM'000</b>	<b>Audited</b> <b>31.12.2020</b> <b>RM'000</b>
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property, plant and equipment	44,995	43,309
Investment properties	36,626	37,341
Intangible assets	861	861
Deferred tax assets	2,376	1,276
	<u>84,858</u>	<u>82,787</u>
<b>Current assets</b>		
Inventories	82	191
Trade and other receivables	48,646	42,933
Amount due from customer on contract	5,779	9,680
Other current financial assets	14,491	14,385
Tax recoverable	497	350
Cash and bank balances	30,572	27,788
	<u>100,067</u>	<u>95,327</u>
<b>TOTAL ASSETS</b>	<u>184,925</u>	<u>178,114</u>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity attributable to the equity holders of the parent</b>		
Share capital	65,970	65,970
Treasury shares	(364)	(330)
Other reserves	(690)	(650)
Retained earnings	446	8,542
	<u>65,362</u>	<u>73,532</u>
Non controlling interest	30,988	30,510
<b>Total equity</b>	<u>96,350</u>	<u>104,042</u>
<b>Non-current liabilities</b>		
Retirement benefits obligation	1,860	1,861
Deferred tax liabilities	4,044	3,797
Lease obligations	34	31
Interest bearing loans and borrowings	1,027	2,345
	<u>6,965</u>	<u>8,034</u>
<b>Current liabilities</b>		
Trade and other payables	24,229	17,936
Lease obligations	74	72
Interest bearing loans and borrowings	55,888	46,055
Tax payable	1,419	1,975
	<u>81,610</u>	<u>66,038</u>
<b>Total Liabilities</b>	<u>88,575</u>	<u>74,072</u>
<b>TOTAL EQUITY AND LIABILITIES</b>	<u>184,925</u>	<u>178,114</u>
<b>Net assets per share attributable to equity holders of the parent (RM)</b>	<u>0.10</u>	<u>0.11</u>

The Condensed Consolidated Statement of Financial Position should be read in conjunction with the Audited Financial Statements for the financial year ended 31 December 2020 and the accompanying explanatory notes attached to the financial statements.

**PROGRESSIVE IMPACT CORPORATION BERHAD**  
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**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**  
**FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2021**  
(The figures have not been audited)

	← Attributable to owners of the company →						
	← Non Distributable →			Distributable	Total RM'000	Non controlling Interest RM'000	Total Equity RM'000
	Share Capital RM'000	Treasury Shares RM'000	Other Reserves RM'000	Retained Profits RM'000			
<b>At 1 January 2020</b>	65,970	(330)	(375)	14,960			
Total comprehensive income for the period	-	-	(275)	(2,813)	(3,088)	5,880	2,792
Dividends paid	-	-	-	(3,605)	(3,605)	-	(3,605)
Dividends paid to non-controlling interest	-	-	-	-	-	(5,402)	(5,402)
<b>At 31 December 2020</b>	<b>65,970</b>	<b>(330)</b>	<b>(650)</b>	<b>8,542</b>	<b>73,532</b>	<b>30,510</b>	<b>104,042</b>
<b>At 1 January 2021</b>	65,970	(330)	(650)	8,542	73,532	30,510	104,042
Total comprehensive loss for the period	-	-	(40)	(6,130)	(6,170)	6,380	210
Dividends paid	-	-	-	(1,966)	(1,966)	-	(1,966)
Dividends payable to non-controlling interest	-	-	-	-	-	(5,902)	(5,902)
Purchase of treasury	-	(34)	-	-	(34)	-	(34)
<b>At 31 December 2021</b>	<b>65,970</b>	<b>(364)</b>	<b>(690)</b>	<b>446</b>	<b>65,362</b>	<b>30,988</b>	<b>96,350</b>

The Condensed Consolidated Statement of Changes In Equity should be read in conjunction with the Audited Financial Statements for the financial year ended 31 December 2020.

**PROGRESSIVE IMPACT CORPORATION BERHAD**  
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**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOW**  
**FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2021**  
(The figures have not been audited)

	<b>Cumulative Current Year 31.12.2021 RM'000</b>	<b>Cumulative Corresponding Year 31.12.2020 RM'000</b>
<b>Cash flows from operating activities</b>		
Profit before taxation	3,804	7,684
<b>Adjustments for :</b>		
Depreciation and amortisation	7,225	6,109
Amortisation of investment properties	715	715
Provision for retirement benefit obligations	539	542
Gain on disposal of property plant and equipment	-	(7)
Impairment of receivable	361	758
Reversal of impairment receivable	(775)	(784)
Bade debt recovered	(7)	-
Fair value gain on other current financial assets	(140)	(203)
Net unrealised foreign exchange loss/(gain)	(847)	846
Finance cost	3,944	2,956
Profit income from deposit	(377)	(424)
<b>Operating profit before working capital changes</b>	<u>14,442</u>	<u>18,192</u>
Working capital changes :		
Decrease in receivable	(1,126)	(5,730)
(Decrease)/Increase in inventories and work-in-progress	110	(137)
Decrease/(Increase) in payables	7,016	(1,256)
<b>Cash generated from operations</b>	<u>20,442</u>	<u>11,069</u>
Retirement benefit obligation paid	(103)	(198)
Taxation paid	(7,399)	(4,900)
<b>Net cash generated from operating activities</b>	<u>12,940</u>	<u>5,971</u>
<b>Cash flows from investing activities</b>		
Proceeds from disposal of property plant and equipment	-	37
Placement of unit trust	(106)	(604)
Purchase of property plant and equipment	(8,626)	(8,975)
Profit received from deposits	517	424
(Placement)/Withdrawal of deposits pledged	(2,275)	125
<b>Net cash used in investing activities</b>	<u>(10,490)</u>	<u>(8,993)</u>
<b>Cash flows from financing activity</b>		
Net drawdown/(repayment) of borrowings	8,168	19,007
Dividend paid	(1,966)	(3,606)
Dividend paid to NCI	(5,902)	(5,402)
Financing cost paid	(3,944)	(1,958)
Lease payment	(88)	(88)
<b>Net cash (used in)/generated from financing activity</b>	<u>(3,732)</u>	<u>7,953</u>
<b>Net decrease in cash and cash equivalents</b>	(1,282)	4,931
<b>Cash and cash equivalents at 1 January 2021/2020</b>	3,903	(1,028)
<b>Cash and cash equivalents at 31 December 2021/2020</b>	<u><u>2,621</u></u>	<u><u>3,903</u></u>

**PROGRESSIVE IMPACT CORPORATION BERHAD**  
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**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOW**  
**FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2021**  
**(The figures have not been audited)**  
**(CONT'D)**

	<b>Cumulative Current Year To Date 31.12.2021 RM'000</b>	<b>Cumulative Corresponding Period 31.12.2020 RM'000</b>
<b>Cash and cash equivalents :</b>		
Cash and bank balances	30,572	27,788
Overdraft	<u>(18,057)</u>	<u>(16,265)</u>
	12,515	11,523
Less: Restricted deposits	<u>(9,894)</u>	<u>(7,620)</u>
	<u>2,621</u>	<u>3,903</u>

The Condensed Consolidated Statement of Cash Flow should be read in conjunction with the Audited Financial Statement for the financial year ended 31 December 2020 and the accompanying explanatory notes attached to the financial statements.

**FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2021**  
**SELECTED EXPLANATORY NOTES**

**A EXPLANATORY NOTES PURSUANT TO FRS 134**

**A1. Corporate information**

Progressive Impact Corporation Berhad ("the Company") is a public limited liability company incorporated and domiciled in Malaysia, and is listed on Bursa Malaysia Securities Berhad.

The condensed consolidated interim financial statements were approved by the Board of Directors on 28 February 2022.

**A2. Basis of preparation**

The consolidated condensed interim financial information for the year ended 31 December 2021 is unaudited and has been prepared in accordance with Malaysia Financial Reporting Standards ("MFRS") 134 "Interim financial reporting" issued by the Malaysian Accounting Standards Board (MASB), Appendix 9B (Part A) of the Bursa Malaysia Securities Berhad Main Market Listing Requirements ("Bursa Securities Listing Requirements") and the requirements of the Companies Act, 2016 in Malaysia. The consolidated condensed interim financial information should be read in conjunction with the annual financial statements for the financial year ended 31 December 2020, which have been prepared in accordance with MFRS, International Financial Reporting Standards and the requirements of the Companies Act, 2016 in Malaysia.

**A3. MFRSs, Amendments to MFRSs and IC Interpretation issued but not yet effective**

**Effective for Annual periods commencing on or after 1 January 2021**

The Group has adopted the following MFRS and Amendments to MFRSs and Annual Improvement to Standards effective as of 1 January 2021.

Interest Rate Benchmark Reform—Phase 2 (Amendments to MFRS 9, MFRS 139, MFRS 7, MFRS 4 and MFRS 16)	1 January 2021
Covid-19-Related Rent Concessions beyond 30 June 2021 (Amendment to MFRS 16 Leases)	1 April 2021

Adoption of the above MFRS and Amendments to MFRSs and Annual Improvement to Standards will have no material impact on the financial statements of the Group.

**MFRSs and Amendments to MFRS issued but not yet effective**

At the date of authorisation of these interim financial statements, the following MFRSs and Amendments to MFRSs were issued but not yet effective and have not been applied by the Group.

<b>MFRSs and amendments to MFRSs</b>	<b>Effective for annual period beginning on or after</b>
Annual Improvements to MFRS Standards 2018–2020 (MFRS 1 & MFRS 9)	1 January 2022
Reference to the Conceptual Framework (Amendments to MFRS 3 Business Combinations)	1 January 2022
Property, Plant and Equipment—Proceeds before Intended Use (Amendments to MFRS 116 Property, Plant and Equipment)	1 January 2022
Onerous Contracts—Cost of Fulfilling a Contract (Amendments to MFRS 137 Provisions, Contingent Liabilities and Contingent Assets)	1 January 2022
Insurance Contract (Amendments to MFRS 17 Insurance Contracts)	1 January 2023
Classification of Liabilities as Current or Non-current (Amendments to MFRS 101)	1 January 2023
Disclosure of Accounting Policies (Amendments to MFRS 101)	1 January 2023
Definition of Accounting Estimates (Amendments to MFRS 108)	1 January 2023
Deferred Tax related to Assets and Liabilities arising from a Single Transaction (Amendments to MFRS 112)	1 January 2023

The interim report should be read in conjunction with the audited financial statements of the Group for the year ended 31 December 2020.

**PROGRESSIVE IMPACT CORPORATION BERHAD**  
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**FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2021**  
**SELECTED EXPLANATORY NOTES**

**A4. Changes in estimates**

There were no changes in estimates of amounts reported in prior financial quarter or financial year that have a material effect in the financial quarter under review.

**A5. Changes in composition of the Group**

No changes in composition of group for quarter ended 31 December 2021.

**A6. Segment information**

	<b>31 December 2021</b>				<b>Cumulative Quarter Year To Date 31.12.2021 RM '000</b>
	<b>Environmental Monitoring, Consultancy &amp; Services</b>	<b>Laboratory Services</b>	<b>Others*</b>	<b>Elimination</b>	
	<b>RM '000</b>	<b>RM '000</b>	<b>RM '000</b>	<b>RM '000</b>	
External revenue	32,347	56,863	2,812	-	92,022
Inter- segment revenue	192	(9)	7,484	(7,667)	-
<b>Total revenue</b>	<b>32,539</b>	<b>56,854</b>	<b>10,296</b>	<b>(7,667)</b>	<b>92,022</b>

**Segment Results**

Segment profit/(loss)					
from operations	(11,151)	21,932	4,015	(7,048)	7,748
Finance cost	(3,661)	(5)	(1,601)	1,323	(3,944)
Income tax expense	1,084	(4,967)	145	-	(4,047)
<b>Loss net of tax</b>					<b>(243)</b>
Non-controlling interest					(5,887)
<b>Net loss for the period</b>					<b>(6,130)</b>

	<b>31 December 2020</b>				<b>Cumulative Quarter Year To Date 31.12.2020 RM'000</b>
	<b>Environmental Monitoring, Consultancy &amp; Services</b>	<b>Laboratory Services</b>	<b>Others*</b>	<b>Elimination</b>	
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	
<b>Segment Revenue</b>					
External revenue	34,060	51,065	2,838	-	87,963
Inter- segment revenue	244	838	7,231	(8,313)	-
<b>Total revenue</b>	<b>34,304</b>	<b>51,903</b>	<b>10,069</b>	<b>(8,313)</b>	<b>87,963</b>

**Segment Results**

Segment profit/(loss) from operations	(6,927)	19,835	4,901	(7,169)	10,640
Financing cost	(2,542)	(7)	(1,424)	1,017	(2,956)
Income tax expense	764	(5,189)	(186)	-	(4,611)
<b>Loss net of tax</b>					<b>3,073</b>
Non-controlling interest					(5,886)
<b>Net loss for the period</b>					<b>(2,813)</b>

\* The segment denoted as "others" includes the revenue and results of Progressive Impact Corporation Berhad ("the Company") and subsidiaries which do not fall under the segments environmental monitoring, consultancy and services and laboratory services.

The review of the group and segmental performance is further illustrated in Note B1 and B2 of the announcement.



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**SELECTED EXPLANATORY NOTES**

**A7. Seasonality or cyclicity**

The Group's performance is not affected by any seasonal or cyclical factors.

**A8. Profit before taxation**

	Individual quarter 3 months ended		Cumulative quarter 12 months ended	
	31.12.2021 RM'000	31.12.2020 RM'000	31.12.2021 RM'000	31.12.2020 RM'000
Profit before taxation is arrived at after charging:				
Zakat	72	181	404	533

**A9. Income tax expense**

	Individual quarter 3 months ended		Cumulative quarter 12 months ended	
	31.12.2021 RM'000	31.12.2020 RM'000	31.12.2021 RM'000	31.12.2020 RM'000
Tax expense :				
- Malaysia Income Tax	1,388	934	4,220	3,674
- Foreign Tax	439	468	876	1,570
- Deferred Tax	(414)	(141)	(1,049)	(633)
	1,413	1,261	4,047	4,611
Effective tax rate			106%	60%

The effective tax rate for 2021 and 2020 is higher than the statutory income tax rate of 24% .This is due to the losses incurred by the subsidiary companies which has lowered the basis for the computation of the effective tax rate.

**A10. Earnings per share**

The basic earnings per share for the quarter and cumulative year to date are computed as follow:

	Individual quarter 3 months ended		Financial Year Ended	
	31.12.2021	31.12.2020	31.12.2021	31.12.2020
Profit for the period (RM'000)	3,222	(412)	(6,130)	(2,813)
Number of ordinary shares of RM0.10 each in issue ('000)	655,371	655,631	655,371	655,631
Basic Earnings Per Share (sen)	0.49	(0.06)	(0.94)	(0.43)

There is no diluted earnings per share as there were no potential dilutive ordinary shares outstanding as at the end of the reporting period.

**A11. Valuation of property, plant and equipment**

The Group measured its land and building at the date of transition at its revalued amounts and uses that amounts as its deemed cost at that date.

**PROGRESSIVE IMPACT CORPORATION BERHAD**  
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**SELECTED EXPLANATORY NOTES**

**A12. Interest bearing loans and borrowings**

	<b>31.12.2021</b>	<b>31.12.2020</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>Short term borrowings</b>		
Hire purchase	1,704	1,225
Overdraft	18,057	16,265
Revolving Credit	23,600	18,600
Term loan	10,172	6,206
Trust receipt	2,355	3,759
	<u>55,888</u>	<u>46,055</u>
<b>Long term borrowings</b>		
Hire purchase	1,027	2,345
	<u>1,027</u>	<u>2,345</u>
<b>Total borrowings</b>	<u>56,915</u>	<u>48,400</u>

Current year utilisation of additional borrowings relates to its investment and working capital financing.

**A13. Trade receivables**

	<b>31.12.2021</b>	<b>31.12.2020</b>
	<b>RM'000</b>	<b>RM'000</b>
Trade and Other receivable	48,646	42,933

**A14. Dividends**

No dividend declared or paid during current quarter.

**A15. Commitments**

	<b>31.12.2021</b>	<b>31.12.2020</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>Capital expenditure</b>		
Approved and contracted for :		
Property, plant & equipment	523	345
	<u>523</u>	<u>345</u>

**A16. Contingent liabilities and contingent assets**

There were no material changes in the contingent liabilities and contingent assets since the last audited financial statements for the financial year ended 31 December 2020.

**A17. Related party transactions**

The transactions between related parties have been entered into in the normal course of business and have been established on terms and conditions that are not materially different from that obtainable in transactions with unrelated parties.

**A18. Unusual Items due to their Nature, Size or Incidence**

There were no unusual items affecting assets, liabilities, equity, net income or cash flows during the financial period ended 31 December 2021.

**PROGRESSIVE IMPACT CORPORATION BERHAD**  
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**SELECTED EXPLANATORY NOTES**

**A19. Issuance, Cancellations, Repurchases, Resale and Repayments of Debt and Equity Securities**

**Share buybacks/ Treasury shares of the Company**

	<b>31.12.2021</b>	<b>31.12.2020</b>
	<b>RM'000</b>	<b>RM'000</b>
As at 1 January	330	330
Share buyback	34	-
As at 30 September/December	<u>364</u>	<u>330</u>

**PROGRESSIVE IMPACT CORPORATION BERHAD**  
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**FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2021**  
**SELECTED EXPLANATORY NOTES**

**B EXPLANATORY NOTES PURSUANT TO BURSA MALAYSIA LISTING REQUIREMENTS : CHAPTER 9, APPENDIX 9B, PART A**

**B1. Performance review**

**Review of Group Performance**

	<b>Financial Year Ended 31.12.2021 RM'000</b>	<b>Financial Year Ended 31.12.2020 RM'000</b>	<b>Changes Amount RM'000</b>	<b>Changes + / (-)</b>
<b>Revenue</b>				
Environmental monitoring, consultancy & services	32,539	34,304	(1,765)	(0.05)
Laboratory services	56,854	51,903	4,951	0.10
Corporate holding and Elimination	2,629	1,756	873	(0.50)
	<u>92,022</u>	<u>87,963</u>	4,059	0.05
<b>Segment results</b>				
Environmental monitoring, consultancy & services	(11,151)	(6,927)	(4,224)	(0.61)
Laboratory services	21,932	19,835	2,097	0.11
Corporate holding and Elimination	(3,033)	(2,268)	(765)	(0.34)
Profit from operations	<u>7,748</u>	<u>10,640</u>	(2,892)	(0.27)
Finance charges	(3,944)	(2,956)	(988)	(0.33)
Profit before tax	3,804	7,684	(3,880)	(0.50)
Tax expense	(4,047)	(4,611)	564	0.12
(Loss)/Profit net of tax	(243)	3,073	(3,316)	(1.08)
Non controlling interest	(5,887)	(5,886)	(1)	(0.00)
Loss attributable to owners of the Company	<u>(6,130)</u>	<u>(2,813)</u>	(3,317)	(1.18)

**1.1 Segments Background:**

The Group is organised into two operating segments as follows based on products offered and services rendered:

- (a) The environmental monitoring, consultancy and services segment includes the provision of environmental related services in air, water, wastewater and public health.
- (b) The laboratory testing services segment includes the provision of environmental and food testing and analysis services.

**1.2 Group and Segments Analysis**

**Group Analysis:**

The Group reported higher revenue by RM4million compared to the preceding year mainly due to higher revenue from laboratory services. The Group reported lower profit from operations by RM2.9million.

FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2021  
SELECTED EXPLANATORY NOTES

**B1. Performance review (cont'd.)**

An analysis of the results of each segment is as follows:

a) **Environmental monitoring, consultancy & services**

Environmental monitoring, consultancy and services segment revenue contributed 35% of the total Group revenue.

The segment revenue has dropped by RM1.8million compared to the preceding year due to lower revenue generated from Malaysia operations. On the other hand, profit from operations has also dropped by RM4.2million due to lower revenue contributions as well as higher other operating expenses and financing cost incurred in current financial year.

b) **Laboratory services**

Laboratory services segment revenue contributed 62% of the total Group revenue.

For the year ended 31 December 2021, the segment revenue and profit from operations was higher by RM5million and RM2.1million respectively compared to the preceding year.

**B2. Material Changes in Profit for the Current Quarter as Compared to the Results of the Preceding Quarter**

	Individual Quarter		Changes Amount	Changes +/(-)
	Current Quarter 31.12.2021 RM'000	Preceding Quarter 30.9.2021 RM'000		
<b>Revenue</b>				
Environmental monitoring, consultancy & services	8,225	6,695	1,530	0.23
Laboratory services	14,355	18,188	(3,833)	(0.21)
Corporate holding and Elimination	1,558	493	1,065	2.16
	<u>24,138</u>	<u>25,376</u>	(1,238)	(0.05)
<b>Segment results</b>				
Environmental monitoring, consultancy & services	1,809	(9,997)	11,806	1.18
Laboratory services	5,489	8,751	(3,262)	(0.37)
Corporate holding and Elimination	(637)	43	(680)	(15.81)
Profit/(Loss) from operations	<u>6,661</u>	<u>(1,203)</u>	7,864	(6.54)
Finance charges	(1,814)	(762)	(1,052)	(1.38)
Profit/(Loss) before tax	<u>4,847</u>	<u>(1,965)</u>	6,812	(3.47)
Tax Expense	(1,413)	(404)	(1,009)	(2.50)
Profit/(Loss) net of tax	<u>3,434</u>	<u>(2,369)</u>	5,803	(2.45)
Non Controlling interest	(212)	(3,238)	3,026	0.93
Profit/(Loss) attributable to owners of the company	<u><u>3,222</u></u>	<u><u>(5,607)</u></u>	8,829	1.57

**B2.**

**Material Changes in Profit for the Current Quarter as Compared to the Results of the Preceding Quarter (cont'd)**

**2.1 Group and Segments Analysis**

**Group Analysis:**

The Group's revenue has deteriorated by RM1.2million compared to the preceding quarter ended 30 September 2021 due to lower revenue from laboratory services. The Group's profit from operations on the other hand, has improved compared to the preceding quarter ended 30 September 2021 by RM7.9million mainly due to turnaround effect from reversal of provision for doubtful debt amounting to RM 6million made in preceeding quarter. This offset against lower profit from opeation from laboratory segment.

An analysis of the results of each segment is as follows:

a) **Environmental monitoring, consultancy & services**

Environmental monitoring, consultancy and services reported a higher profit from operations by RM11.8million compared to previous quarter ended 30 September 2021 due to turnaround effect from reversal of provision for doubtful debt of RM6million made in preceeding quarter.

b) **Laboratory services**

Laboratory services segment reported lower revenue and profit from operations by RM3.8million and RM3.3million respectively as compared to previous quarter ended 30 September 2021 due to lower revenue, higher cost of sales and higher other operating expenses incurred during the year.

**B3. Commentary on prospects**

Amidst the global economy cautiously recovering from the Covid- 19 pandemic, the management will be continuously implementing several measures to align its operations with the requirements of the new norms in an effort to cushion the impact of the crisis to the business. These actions include the implementation of cost containment measures, upholding social distancing, ensuring staff to receive vaccination and observe good sanitation procedures at the workplace as well as adhering to stringent health and safety protocols. Even though the vaccine roll-out has reached to booster stage, the economic recovery is anticipated to take longer time to happen considering the current war in Ukraine and increased geopolitical conflicts.

**B4. Profit forecast or profit guarantee**

There were no profit forecast or profit guarantee issued by the Group.

**B5. Corporate proposals**

There were no corporate proposal issued by the group for quarter ended 31 December 2021.

**B6. Disclosure of gains/(losses) arising from fair value changes of financial liabilities**

The Group did not have any financial liabilities measured at fair value through profit or loss as at 31 December 2021.

**B7. Off Balance Sheet Financial Instruments**

The Group does not have any financial instruments with off balance sheet risk as at the date of this report.

**B8. Changes in Material Litigation**

There is no material litigation in the current year.

**PROGRESSIVE IMPACT CORPORATION BERHAD**  
**(Company No. 203352-V)**

**FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2021**  
**SELECTED EXPLANATORY NOTES**

**B9. Auditors' report on preceding annual financial statements**

The auditors' report on the financial statements for the financial year ended 31 December 2020 was not qualified.

By order of the Board  
**PROGRESSIVE IMPACT CORPORATION BERHAD**  
Hajjah Zaidah Binti Haji Mohd Salleh  
Company Secretary (MIA 3313)

Shah Alam